

Antonio Valla, Esq. (SBN 136256)
Michael Purcell, Esq. (SBN 229506)
Stefano Abbasciano, Esq. (SBN 277680)
Valla & Associates, Inc., P.C.
1990 N. California Blvd., Suite 1060
Walnut Creek, CA 94596
Telephone: 925.705.7623
Fax: 925.705.7629
antonio.valla@vallalaw.com
michael.purcell@vallalaw.com
stefano.abbasciano@vallalaw.com

Attorneys for Defendant
IQSYSTEM, INC.

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

LOOP AI LABS INC., a Delaware
corporation

Plaintiff,

vs.

ANNA GATTI, an individual, ALMAVIVA
S.p.A., an Italian corporation,
ALMAWAVE S.r.l., an Italian corporation,
ALMAWAVE USA, Inc., a California
corporation, IQSYSTEM LLC, a California
limited liability company, IQSYSTEM, Inc.,
a Delaware corporation,

Defendants.

Case No. 3:15-cv-00798 HSG

**DEFENDANT IQSYSTEM, INC.'S
ANSWER TO COMPLAINT;
COUNTERCLAIM FOR:**

**(1) TORTIOUS INTERFERENCE
WITH CONTRACTUAL
RELATIONS, CAL. BUS. & PROF.
CODE §§ 17200 ET SEQ.**

JURY TRIAL DEMANDED

IQSystem, Inc., files this answer to Plaintiff Loop AI Labs, Inc.'s ("Plaintiff")
complaint. IQSystem, Inc. denies each and every allegation contained in the complaint except
those expressly admitted below. Each paragraph of the Answer below responds to the same

1 numbered paragraph of the complaint.

2 **SUMMARY AND NATURE OF THE ACTION**

3 1. With respect to the allegations contained in Paragraph 1, IQSystem, Inc. denies
4 for lack of knowledge the reason that the Plaintiff brought the action and further denies that the
5 Plaintiff has stated a claim against it. IQSystem, Inc. specifically denies that it has committed
6 any acts of fraud or willful misappropriation of proprietary information and trade secrets
7 belonging to Plaintiff. IQSystem, Inc. specifically denies that it had any contractual or other
8 obligations with Plaintiff.

9 2. These allegations are not directed at IQSystem, Inc. and, therefore, no response
10 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge
11 the entirety of the allegations contained in paragraph 2.

12 3. With respect to the allegations contained in Paragraph 3, IQSystem, Inc. denies
13 that IQSystem, Inc. caused any injuries to Plaintiff by acting unlawfully. IQSystem, Inc. denies
14 for lack of knowledge the remaining allegations contained in paragraph 3.

15 4. These allegations are not directed at IQSystem, Inc. and, therefore, no response
16 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
17 allegations contained in Paragraph 4.

18 5. These allegations are not directed at IQSystem, Inc. and, therefore, no response
19 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
20 allegations contained in Paragraph 5.

21 6. With respect to the allegations contained in Paragraph 6, IQSystem, Inc. denies
22 that IQSystem, Inc. engaged in a pattern of intentional wrongdoing with the other Defendants
23 designed to defraud the Plaintiff. IQSystem, Inc. denies for lack of knowledge the remaining
24 allegations contained in paragraph 6.

25 7. These allegations are not directed at IQSystem, Inc. and, therefore, no response
26 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
27 allegations contained in Paragraph 7.

28

1 8. These allegations are not directed at IQSystem, Inc. and, therefore, no response
2 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
3 allegations contained in Paragraph 8.

4 9. These allegations are not directed at IQSystem, Inc. and, therefore, no response
5 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
6 allegations contained in Paragraph 9.

7 10. These allegations are not directed at IQSystem, Inc. and, therefore, no response
8 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
9 allegations contained in Paragraph 10.

10 11. These allegations are not directed at IQSystem, Inc. and, therefore, no response
11 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
12 allegations contained in Paragraph 11.

13 12. These allegations are not directed at IQSystem, Inc. and, therefore, no response
14 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
15 allegations contained in Paragraph 12.

16 13. These allegations are not directed at IQSystem, Inc. and, therefore, no response
17 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
18 allegations contained in Paragraph 13.

19 14. These allegations are not directed at IQSystem, Inc. and, therefore, no response
20 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
21 allegations contained in Paragraph 14.

22 15. These allegations are not directed at IQSystem, Inc. and, therefore, no response
23 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
24 allegations contained in Paragraph 15.

25 16. These allegations are not directed at IQSystem, Inc. and, therefore, no response
26 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
27 allegations contained in Paragraph 16.
28

1 17. These allegations are not directed at IQSystem, Inc. and, therefore, no response
2 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
3 allegations contained in Paragraph 17.

4 18. With respect to the allegations contained in Paragraph 18, IQSystem, Inc. denies
5 that IQSystem, Inc. committed any violations under federal or state law, or violated the express
6 provision of Gatti's employment agreement, to which IQSystem, Inc. is not a party. IQSystem,
7 Inc. denies for lack of knowledge all remaining allegations therein.

8 19. These allegations are not directed at IQSystem, Inc. and, therefore, no response
9 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
10 allegations contained in Paragraph 19.

11 20. These allegations are not directed at IQSystem, Inc. and, therefore, no response
12 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
13 allegations contained in Paragraph 20.

14 21. With respect to the allegations contained in Paragraph 21, IQSystem, Inc. denies
15 to have profited from any unlawful scheme perpetrated against Plaintiff. Denies for lack of
16 knowledge all remaining allegations therein.

17 22. With respect to the allegations contained in Paragraph 22, IQSystem, Inc. denies
18 all allegations therein.

19 23. With respect to the allegations contained in Paragraph 23, IQSystem, Inc. denies
20 all allegations therein.

21 24. With respect to the allegations contained in Paragraph 24, IQSystem, Inc. denies
22 that it was actively pursuing the take-the-money-and-run part of Gatti's alleged scheme,
23 designed to force a premature sale of Plaintiff by sabotaging Plaintiff's access to venture capital
24 funding. IQSystem, Inc. denies for lack of knowledge all remaining allegations therein.

25 25. With respect to the allegations contained in Paragraph 25, IQSystem, Inc. denies
26 that it committed any wrongdoing. IQSystem, Inc. denies for lack of knowledge all remaining
27 allegations therein.
28

1 26. These allegations are not directed at IQSystem, Inc. and, therefore, no response
2 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
3 allegations contained in Paragraph 26.

4 27. These allegations are not directed at IQSystem, Inc. and, therefore, no response
5 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
6 allegations contained in Paragraph 27.

7 28. These allegations are not directed at IQSystem, Inc. and, therefore, no response
8 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
9 allegations contained in Paragraph 28.

10 29. These allegations are not directed at IQSystem, Inc. and, therefore, no response
11 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
12 allegations contained in Paragraph 29.

13 30. These allegations are not directed at IQSystem, Inc. and, therefore, no response
14 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
15 allegations contained in Paragraph 30.

16 31. These allegations are not directed at IQSystem, Inc. and, therefore, no response
17 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
18 allegations contained in Paragraph 31.

19 32. These allegations are not directed at IQSystem, Inc. and, therefore, no response
20 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
21 allegations contained in Paragraph 32.

22 33. With respect to the allegations contained in Paragraph 33, IQSystem, Inc. denies
23 all allegations therein.

24 34. With respect to the allegations contained in Paragraph 34, IQSystem, Inc. denies
25 all allegations therein.
26
27
28

THE PARTIES

35. These allegations are not directed at IQSystem, Inc. and, therefore, no response is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all allegations contained in Paragraph 35.

36. These allegations are not directed at IQSystem, Inc. and, therefore, no response is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all allegations contained in Paragraph 36.

37. These allegations are not directed at IQSystem, Inc. and, therefore, no response is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all allegations contained in Paragraph 37.

38. With respect to the allegations contained in Paragraph 38, IQSystem, Inc. admits that it is a Delaware corporation. IQSystem, Inc. denies all remaining allegations therein.

39. These allegations are not directed at IQSystem, Inc. and, therefore, no response is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all allegations contained in Paragraph 39.

40. These allegations are not directed at IQSystem, Inc. and, therefore, no response is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all allegations contained in Paragraph 40.

41. These allegations are not directed at IQSystem, Inc. and, therefore, no response is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all allegations contained in Paragraph 41.

OTHER CO-CONSPIRATORS

42. With respect to the allegations contained in Paragraph 42, IQSystem, Inc. admits that Antonio Di Napoli is an individual residing in San Francisco at 24 Clarendon Avenue with Gatti. IQSystem, Inc. denies any and all remaining allegations therein.

43. With respect to the allegations contained in Paragraph 43, IQSystem, Inc. denies for lack of knowledge the allegations regarding Manuela Micoli's residence. Further, IQSystem, Inc. denies any and all remaining allegations therein.

44. With respect to the allegations contained in Paragraph 44, IQSystem, Inc. denies all allegations therein.

45. These allegations are not directed at IQSystem, Inc. and, therefore, no response is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all allegations contained in Paragraph 45.

46. These allegations are not directed at IQSystem, Inc. and, therefore, no response is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all allegations contained in Paragraph 46.

47. With respect to the allegations contained in Paragraph 47, no response is required. To the extent a response is required, IQSystem, Inc. denies all allegations contained therein.

JURISDICTION

48. Answering paragraph 48, IQSystem, Inc. admits the statement of law.

49. Answering paragraph 49, IQSystem, Inc. admits the statement of law.

50. Answering paragraph 50, IQSystem, Inc. admits the statement of law.

51. These allegations are not directed at IQSystem, Inc. and, therefore, no response is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all allegations contained in Paragraph 51.

52. With respect to the allegations contained in Paragraph 52, IQSystem, Inc. admits that Plaintiff has personal jurisdiction over IQSystem, Inc., because IQSystem, Inc.'s principal place of business is in San Francisco. IQSystem, Inc. denies that IQSystem, Inc. engaged in the acts described in the complaint. IQSystem, Inc. denies for lack of knowledge all remaining allegations therein.

INTRADISTRICT ASSIGNMENT

53. Answering paragraph 53, IQSystem, Inc. admits the statement of law.

GENERAL ALLEGATIONS COMMON TO ALL CAUSES OF ACTION

A. The Company Entered Into The Stock Purchase Agreement In Reliance Upon Gatti's Materially False And Misleading Representations.

54. These allegations are not directed at IQSystem, Inc. and, therefore, no response is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all allegations contained in Paragraph 54.

55. These allegations are not directed at IQSystem, Inc. and, therefore, no response is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all allegations contained in Paragraph 55.

56. These allegations are not directed at IQSystem, Inc. and, therefore, no response is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all allegations contained in Paragraph 56.

57. These allegations are not directed at IQSystem, Inc. and, therefore, no response is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all allegations contained in Paragraph 57.

58. These allegations are not directed at IQSystem, Inc. and, therefore, no response is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all allegations contained in Paragraph 58.

59. These allegations are not directed at IQSystem, Inc. and, therefore, no response is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all allegations contained in Paragraph 59.

60. These allegations are not directed at IQSystem, Inc. and, therefore, no response is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all allegations contained in Paragraph 60.

61. These allegations are not directed at IQSystem, Inc. and, therefore, no response is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all allegations contained in Paragraph 61.

62. These allegations are not directed at IQSystem, Inc. and, therefore, no response is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all allegations contained in Paragraph 62.

63. These allegations are not directed at IQSystem, Inc. and, therefore, no response is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all allegations contained in Paragraph 63.

64. These allegations are not directed at IQSystem, Inc. and, therefore, no response is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all allegations contained in Paragraph 64.

65. These allegations are not directed at IQSystem, Inc. and, therefore, no response is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all allegations contained in Paragraph 65.

B. Gatti's Contractual Obligations To The Company

66. These allegations are not directed at IQSystem, Inc. and, therefore, no response is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all allegations contained in Paragraph 66.

67. These allegations are not directed at IQSystem, Inc. and, therefore, no response is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all allegations contained in Paragraph 67.

68. These allegations are not directed at IQSystem, Inc. and, therefore, no response is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all allegations contained in Paragraph 68.

69. These allegations are not directed at IQSystem, Inc. and, therefore, no response is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all allegations contained in Paragraph 69.

70. These allegations are not directed at IQSystem, Inc. and, therefore, no response is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all allegations contained in Paragraph 70.

71. These allegations are not directed at IQSystem, Inc. and, therefore, no response is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all allegations contained in Paragraph 71.

72. These allegations are not directed at IQSystem, Inc. and, therefore, no response is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all allegations contained in Paragraph 72.

73. These allegations are not directed at IQSystem, Inc. and, therefore, no response is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all allegations contained in Paragraph 73.

C. Unlawful Activities By Gatti And the Other Defendants Since October 2012.

74. These allegations are not directed at IQSystem, Inc. and, therefore, no response is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all allegations contained in Paragraph 74.

75. With respect to the allegations contained in Paragraph 75, IQSystem, Inc. denies that it participated in or furthered Gatti's alleged scheme against the Plaintiff. IQSystem, Inc. denies for lack of knowledge all remaining allegations therein.

76. These allegations are not directed at IQSystem, Inc. and, therefore, no response is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all allegations contained in Paragraph 76.

1 77. With respect to the allegations contained in Paragraph 77, IQSystem, Inc. denies
2 that it committed any wrongdoing against Plaintiff. IQSystem, Inc. denies for lack of knowledge
3 all remaining allegations therein.

4 78. These allegations are not directed at IQSystem, Inc. and, therefore, no response
5 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
6 allegations contained in Paragraph 78.

7 79. These allegations are not directed at IQSystem, Inc. and, therefore, no response
8 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
9 allegations contained in Paragraph 79.

10 80. With respect to the allegations contained in Paragraph 80, IQSystem, Inc. denies
11 all allegations therein.

12 **1. TheNeeds**

13 81. These allegations are not directed at IQSystem, Inc. and, therefore, no response
14 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
15 allegations contained in Paragraph 81.

16 82. These allegations are not directed at IQSystem, Inc. and, therefore, no response
17 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
18 allegations contained in Paragraph 82.

19 83. These allegations are not directed at IQSystem, Inc. and, therefore, no response
20 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
21 allegations contained in Paragraph 83.

22 84. These allegations are not directed at IQSystem, Inc. and, therefore, no response
23 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
24 allegations contained in Paragraph 84.

25 85. These allegations are not directed at IQSystem, Inc. and, therefore, no response
26 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
27 allegations contained in Paragraph 85.
28

1 86. These allegations are not directed at IQSystem, Inc. and, therefore, no response
2 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
3 allegations contained in Paragraph 86.

4 87. These allegations are not directed at IQSystem, Inc. and, therefore, no response
5 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
6 allegations contained in Paragraph 87.

7 88. These allegations are not directed at IQSystem, Inc. and, therefore, no response
8 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
9 allegations contained in Paragraph 88.

10 **2. The Alaviva Defendants.**

11 89. These allegations are not directed at IQSystem, Inc. and, therefore, no response
12 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
13 allegations contained in Paragraph 89.

14 90. These allegations are not directed at IQSystem, Inc. and, therefore, no response
15 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
16 allegations contained in Paragraph 90.

17 91. These allegations are not directed at IQSystem, Inc. and, therefore, no response
18 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
19 allegations contained in Paragraph 91.

20 92. These allegations are not directed at IQSystem, Inc. and, therefore, no response
21 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
22 allegations contained in Paragraph 92.

23 93. These allegations are not directed at IQSystem, Inc. and, therefore, no response
24 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
25 allegations contained in Paragraph 93.

Valla & Associates, Inc., P.C.
1990 N. California Blvd., Suite 1060
Walnut Creek, CA 94596
www.vallalaw.com

1 94. These allegations are not directed at IQSystem, Inc. and, therefore, no response
2 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
3 allegations contained in Paragraph 94.

4 95. These allegations are not directed at IQSystem, Inc. and, therefore, no response
5 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
6 allegations contained in Paragraph 95.

7 96. These allegations are not directed at IQSystem, Inc. and, therefore, no response
8 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
9 allegations contained in Paragraph 96.

10 97. These allegations are not directed at IQSystem, Inc. and, therefore, no response
11 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
12 allegations contained in Paragraph 97.

13 98. These allegations are not directed at IQSystem, Inc. and, therefore, no response
14 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
15 allegations contained in Paragraph 98.

16 99. These allegations are not directed at IQSystem, Inc. and, therefore, no response
17 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
18 allegations contained in Paragraph 99.

19 100. These allegations are not directed at IQSystem, Inc. and, therefore, no response
20 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
21 allegations contained in Paragraph 100.

22 101. These allegations are not directed at IQSystem, Inc. and, therefore, no response
23 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
24 allegations contained in Paragraph 101.

25 102. These allegations are not directed at IQSystem, Inc. and, therefore, no response
26 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
27 allegations contained in Paragraph 102.
28

1 103. These allegations are not directed at IQSystem, Inc. and, therefore, no response
2 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
3 allegations contained in Paragraph 103.

4 104. These allegations are not directed at IQSystem, Inc. and, therefore, no response
5 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
6 allegations contained in Paragraph 104.

7 105. These allegations are not directed at IQSystem, Inc. and, therefore, no response
8 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
9 allegations contained in Paragraph 105.

10 106. With respect to the allegations contained in Paragraph 106, IQSystem, Inc.
11 denies that it perpetrated any acts of wrongdoing against the Plaintiff. IQSystem, Inc. denies
12 lack of knowledge all remaining allegations therein.

13 107. With respect to the allegations contained in Paragraph 107, denies all allegations
14 therein.

15 108. With respect to the allegations contained in Paragraph 108, IQSystem, Inc.
16 denies all allegations therein.

17 109. These allegations are not directed at IQSystem, Inc. and, therefore, no response
18 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
19 allegations contained in Paragraph 109.

20 110. These allegations are not directed at IQSystem, Inc. and, therefore, no response
21 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
22 allegations contained in Paragraph 110.

23 111. These allegations are not directed at IQSystem, Inc. and, therefore, no response
24 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
25 allegations contained in Paragraph 111.

26

27

28

112. These allegations are not directed at IQSystem, Inc. and, therefore, no response is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all allegations contained in Paragraph 112.

113. With respect to the allegations contained in Paragraph 113, IQSystem, Inc. denies all allegations therein.

D. Gatti and the Amlaviva Defendants' Wrongdoing Is Ongoing

114. These allegations are not directed at IQSystem, Inc. and, therefore, no response is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all allegations contained in Paragraph 114.

115. These allegations are not directed at IQSystem, Inc. and, therefore, no response is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all allegations contained in Paragraph 115.

116. These allegations are not directed at IQSystem, Inc. and, therefore, no response is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all allegations contained in Paragraph 116.

117. These allegations are not directed at IQSystem, Inc. and, therefore, no response is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all allegations contained in Paragraph 117.

118. These allegations are not directed at IQSystem, Inc. and, therefore, no response is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all allegations contained in Paragraph 118.

FIRST CAUSE OF ACTION

**(Racketeer Influenced and Corrupt Organizations, 18 U.S.C. §§ 1962 *et seq.*,
against All Defendants)**

119. This paragraph incorporates paragraphs 1 through 119 of Plaintiff's complaint. IQSystem, Inc. likewise incorporates its earlier responses to paragraphs 1 through 119 as if set forth in full.

1 120. With respect to the allegations contained in Paragraph 120, IQSystem, Inc.
2 denies all allegations therein.

3 121. IQSystem, Inc. admits paragraph 121 of the complaint.

4 122. With respect to the allegations contained in Paragraph 122, IQSystem, Inc.
5 denies all allegations therein.

6 123. With respect to the allegations contained in Paragraph 123, IQSystem, Inc.
7 denies all allegations therein.

8 124. With respect to the allegations contained in Paragraph 124, IQSystem, Inc.
9 denies all allegations therein.

10 125. With respect to the allegations contained in Paragraph 125, IQSystem, Inc.
11 denies all allegations therein.

12 126. These allegations are not directed at IQSystem, Inc. and, therefore, no response
13 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
14 allegations contained in Paragraph 126.

15 127. With respect to the allegations contained in Paragraph 127, IQSystem, Inc.
16 denies all allegations therein.

17 128. With respect to the allegations contained in Paragraph 128, IQSystem, Inc.
18 denies all allegations therein.

19 129. With respect to the allegations contained in Paragraph 129, IQSystem, Inc.
20 denies all allegations therein.

21 130. With respect to the allegations contained in Paragraph 130, IQSystem, Inc.
22 denies all allegations therein.

23 131. With respect to the allegations contained in Paragraph 131, IQSystem, Inc.
24 denies all allegations therein.

25 132. With respect to the allegations contained in Paragraph 132, IQSystem, Inc.
26 denies all allegations therein.

1 179. These allegations are not directed at IQSystem, Inc. and, therefore, no response
2 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
3 allegations contained in Paragraph 179.

4 180. These allegations are not directed at IQSystem, Inc. and, therefore, no response
5 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
6 allegations contained in Paragraph 180.

7 181. These allegations are not directed at IQSystem, Inc. and, therefore, no response
8 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
9 allegations contained in Paragraph 181.

10 182. These allegations are not directed at IQSystem, Inc. and, therefore, no response
11 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
12 allegations contained in Paragraph 182.

13 183. These allegations are not directed at IQSystem, Inc. and, therefore, no response
14 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
15 allegations contained in Paragraph 183.

16 184. These allegations are not directed at IQSystem, Inc. and, therefore, no response
17 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
18 allegations contained in Paragraph 184.

19 185. These allegations are not directed at IQSystem, Inc. and, therefore, no response
20 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
21 allegations contained in Paragraph 185.

22 186. These allegations are not directed at IQSystem, Inc. and, therefore, no response
23 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
24 allegations contained in Paragraph 186.

25 187. These allegations are not directed at IQSystem, Inc. and, therefore, no response
26 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
27 allegations contained in Paragraph 187.
28

188. These allegations are not directed at IQSystem, Inc. and, therefore, no response is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all allegations contained in Paragraph 188.

SEVENTH CAUSE OF ACTION

(Breach of Duty of Good Faith and Fair Dealing against Anna Gatti)

189. This paragraph incorporates paragraphs 1 through 188 of Plaintiff's complaint. IQSystem, Inc. likewise incorporates its earlier responses to paragraphs 1 through 188 as if set forth in full.

190. These allegations in Paragraph 190 are not directed at IQSystem, Inc. and, therefore, no response is required.

191. These allegations are not directed at IQSystem, Inc. and, therefore, no response is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all allegations contained in Paragraph 191.

192. These allegations are not directed at IQSystem, Inc. and, therefore, no response is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all allegations contained in Paragraph 192.

193. These allegations are not directed at IQSystem, Inc. and, therefore, no response is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all allegations contained in Paragraph 193.

194. These allegations are not directed at IQSystem, Inc. and, therefore, no response is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all allegations contained in Paragraph 194.

195. These allegations are not directed at IQSystem, Inc. and, therefore, no response is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all allegations contained in Paragraph 195.

EIGHT CAUSE OF ACTION

(Theft of Corporate Opportunity against Anna Gatti)

196. This paragraph incorporates paragraphs 1 through 195 of Plaintiff's complaint. IQSystem, Inc. likewise incorporates its earlier responses to paragraphs 1 through 195 as if set forth in full.

197. These allegations are not directed at IQSystem, Inc. and, therefore, no response is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all allegations contained in Paragraph 197.

198. These allegations are not directed at IQSystem, Inc. and, therefore, no response is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all allegations contained in Paragraph 198.

199. These allegations are not directed at IQSystem, Inc. and, therefore, no response is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all allegations contained in Paragraph 199.

200. These allegations are not directed at IQSystem, Inc. and, therefore, no response is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all allegations contained in Paragraph 200.

201. These allegations are not directed at IQSystem, Inc. and, therefore, no response is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all allegations contained in Paragraph 201.

NINTH CAUSE OF ACTION

(Intentional Interference with Prospective Economic Advantage against All Defendants)

202. This paragraph incorporates paragraphs 1 through 201 of Plaintiff's complaint. IQSystem, Inc. likewise incorporates its earlier responses to paragraphs 1 through 201 as if set forth in full.

1 203. These allegations are not directed at IQSystem, Inc. and, therefore, no response
2 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
3 allegations contained in Paragraph 203.

4 204. These allegations are not directed at IQSystem, Inc. and, therefore, no response
5 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
6 allegations contained in Paragraph 204.

7 205. These allegations are not directed at IQSystem, Inc. and, therefore, no response
8 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
9 allegations contained in Paragraph 205.

10 206. With respect to the allegations contained in Paragraph 206, IQSystem, Inc.
11 denies all allegations therein.

12 207. With respect to the allegations contained in Paragraph 207, IQSystem, Inc.
13 denies all allegations therein.

14 208. With respect to the allegations contained in Paragraph 208, IQSystem, Inc.
15 denies all allegations therein.

16 209. With respect to the allegations contained in Paragraph 209, IQSystem, Inc.
17 denies all allegations therein.

18 210. These allegations are not directed at IQSystem, Inc. and, therefore, no response
19 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
20 allegations contained in Paragraph 210.

21 211. These allegations are not directed at IQSystem, Inc. and, therefore, no response
22 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
23 allegations contained in Paragraph 211.

24 212. These allegations are not directed at IQSystem, Inc. and, therefore, no response
25 is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all
26 allegations contained in Paragraph 212.

27

28

213. These allegations are not directed at IQSystem, Inc. and, therefore, no response is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all allegations contained in Paragraph 213.

TENTH CAUSE OF ACTION

(Tortious Interference with Contract, against Anna Gatti and the Almagiva Defendants)

214. This paragraph incorporates paragraphs 1 through 213 of Plaintiff's complaint. IQSystem, Inc. likewise incorporates its earlier responses to paragraphs 1 through 213 as if set forth in full.

215. These allegations are not directed at IQSystem, Inc. and, therefore, no response is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all allegations contained in Paragraph 215.

216. These allegations are not directed at IQSystem, Inc. and, therefore, no response is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all allegations contained in Paragraph 216.

217. These allegations are not directed at IQSystem, Inc. and, therefore, no response is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all allegations contained in Paragraph 217.

218. These allegations are not directed at IQSystem, Inc. and, therefore, no response is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all allegations contained in Paragraph 218.

219. These allegations are not directed at IQSystem, Inc. and, therefore, no response is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all allegations contained in Paragraph 219.

220. These allegations are not directed at IQSystem, Inc. and, therefore, no response is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all allegations contained in Paragraph 220.

221. These allegations are not directed at IQSystem, Inc. and, therefore, no response is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all allegations contained in Paragraph 221.

222. These allegations are not directed at IQSystem, Inc. and, therefore, no response is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all allegations contained in Paragraph 222.

ELEVENTH CAUSE OF ACTION

(Misappropriation of Trade Secrets, Cal. Civil Code §§ 3426 *et seq.*, against All Defendants)

223. This paragraph incorporates paragraphs 1 through 222 of Plaintiff's complaint. IQSystem, Inc. likewise incorporates its earlier responses to paragraphs 1 through 222 as if set forth in full.

224. These allegations are not directed at IQSystem, Inc. and, therefore, no response is required. To the extent a response is required, IQSystem, Inc. denies for lack of knowledge all allegations contained in Paragraph 224.

225. With respect to the allegations contained in Paragraph 225, IQSystem, Inc. denies all allegations therein.

226. With respect to the allegations contained in Paragraph 226, IQSystem, Inc. denies all allegations therein.

227. With respect to the allegations contained in Paragraph 227, IQSystem, Inc. denies all allegations therein.

228. With respect to the allegations contained in Paragraph 228, IQSystem, Inc. denies all allegations therein.

229. With respect to the allegations contained in Paragraph 229, IQSystem, Inc. denies all allegations therein.

230. With respect to the allegations contained in Paragraph 230, IQSystem, Inc. denies all allegations therein.

231. With respect to the allegations contained in Paragraph 231, IQSystem, Inc. denies all allegations therein.

TWELFTH CAUSE OF ACTION

(Conversion against All Defendants)

232. This paragraph incorporates paragraphs 1 through 231 of Plaintiff's complaint. IQSystem, Inc. likewise incorporates its earlier responses to paragraphs 1 through 231 as if set forth in full.

233. With respect to the allegations contained in Paragraph 233, IQSystem, Inc. denies that IQSystem, Inc. wrongfully acquired Plaintiff's confidential and proprietary business information. Denies for lack of knowledge all remaining allegations therein.

234. With respect to the allegations contained in Paragraph 234, IQSystem, Inc. denies that Plaintiff was damaged as a consequence of IQSystem, Inc.'s acts or conduct. Denies for lack of knowledge all remaining allegations therein.

235. With respect to the allegations contained in Paragraph 235, IQSystem, Inc. denies all allegations therein.

236. With respect to the allegations contained in Paragraph 236, IQSystem, Inc. denies all allegations therein.

237. With respect to the allegations contained in Paragraph 237, IQSystem, Inc. denies all allegations therein.

238. With respect to the allegations contained in Paragraph 238, IQSystem, Inc. denies all allegations therein.

THIRTEENTH CAUSE OF ACTION

(Unfair Competition, Cal. Bus. & Prof. Code §§ 17200 *et seq.*, against All Defendants)

239. This paragraph incorporates paragraphs 1 through 238 of Plaintiff's complaint. IQSystem, Inc. likewise incorporates its earlier responses to paragraphs 1 through 238 as if set forth in full.

1 240. With respect to the allegations contained in Paragraph 240, IQSystem, Inc.
2 denies all allegations therein.

3 241. With respect to the allegations contained in Paragraph 241, IQSystem, Inc.
4 denies all allegations therein.

5 242. With respect to the allegations contained in Paragraph 242, IQSystem, Inc.
6 denies all allegations therein.

7 243. With respect to the allegations contained in Paragraph 243, IQSystem, Inc.
8 denies all allegations therein.

9 244. With respect to the allegations contained in Paragraph 244, IQSystem, Inc.
10 denies all allegations therein.

11 245. With respect to the allegations contained in Paragraph 245, IQSystem, Inc.
12 denies all allegations therein.

13 246. With respect to the allegations contained in Paragraph 246, IQSystem, Inc.
14 denies all allegations therein.

15 247. With respect to the allegations contained in Paragraph 247, IQSystem, Inc.
16 denies all allegations therein.

17 248. This paragraph incorporates paragraphs 1 through 247 of Plaintiff's complaint.
18 IQSystem, Inc. likewise incorporates its earlier responses to paragraphs 1 through 247 as if set
19 forth in full.

20 249. With respect to the allegations contained in Paragraph 249, IQSystem, Inc.
21 denies all allegations therein.

22 250. With respect to the allegations contained in Paragraph 250, IQSystem, Inc.
23 denies all allegations therein.

24 251. With respect to the allegations contained in Paragraph 251, IQSystem, Inc.
25 denies all allegations therein.

26 252. With respect to the allegations contained in Paragraph 252, IQSystem, Inc.
27 denies all allegations therein.
28

253. With respect to the allegations contained in Paragraph 253, IQSystem, Inc. denies all allegations therein.

PRAYER FOR RELIEF

Plaintiff's prayer for relief does not require a response, but insofar as an answer is deemed necessary, IQSystem, Inc. denies that Plaintiff is entitled to the requested relief or to any relief whatsoever.

FIRST AFFIRMATIVE DEFENSE

(Statutory Limitations)

Each and every purported cause of action of the complaint is barred by all applicable statutes of limitations.

SECOND AFFIRMATIVE DEFENSE

(Failure to State a Cause of Action)

Each and every purported cause of action fails to state facts sufficient to constitute a cause of action against IQSystem, Inc.

THIRD AFFIRMATIVE DEFENSE

(Laches and Estoppel)

By virtue of Plaintiff's actions, inactions, and conduct before filing the Complaint, Plaintiff is barred from seeking or being awarded any relief by the doctrines of estoppel and laches.

FOURTH AFFIRMATIVE DEFENSE

(Failure to Mitigate Damages)

Plaintiff has failed to mitigate his damages, if any exist.

FIFTH AFFIRMATIVE DEFENSE

(Unclean Hands)

Any alleged loss or damage Plaintiff may have suffered was not caused by any act, omission, representation, or negligence on the part of IQSystem, Inc., but is solely attributable to the conduct of the Plaintiff or of people other than IQSystem, Inc.

SIXTH AFFIRMATIVE DEFENSE**(Waiver)**

IQSystem, Inc. is informed and believes and thereupon allege that Plaintiff has waived his right to the relief sought in the complaint by virtue of its acts, conduct, representations, and omissions, which constitutes a breach of contract by Plaintiff.

EIGHTH AFFIRMATIVE DEFENSE**(Equity)**

Plaintiff's complaint and each cause of action therein, is barred in whole or in part from recovering the relief sought therein as the equities preponderate in favor of IQSystem, Inc.

NINTH AFFIRMATIVE DEFENSE**(Good Faith/Lack of Malice)**

Plaintiff's complaint and each cause of action therein, are barred in whole or in part because IQSystem, Inc. acted at all times in good faith, without knowledge of any alleged wrongdoing and without any basis for such knowledge.

TENTH AFFIRMATIVE DEFENSE**(Offset)**

Any claim for damages, which IQSystem, Inc. denies, in Plaintiff's complaint is offset by the damages caused by Plaintiff.

TWELFTH AFFIRMATIVE DEFENSE**(Reservation of Rights to Assert Additional Defenses)**

IQSystem, Inc. reserves its right to assert and rely upon such other applicable affirmative defenses as may become available or apparent during the proceedings in this matter.

COUNTERCLAIMS**The Parties**

1. IQSystem, Inc. ("IQSystem") is a corporation organized and existing under the laws of the State of Delaware, with its principal place of business at One Embarcadero Center #500, San Francisco, California 94111.

2. Upon information and belief, Loop AI Labs, Inc. ("Loop AI") is a corporation organized and existing under the laws of the State of Delaware, with its principal place of business in San Francisco, California.

Jurisdiction and Venue

3. Subject to IQSystem's defenses and denials, IQSystem alleges that this Court has jurisdiction over the subject matter of these Counterclaims under, without limitation, 28 U.S.C. § 1367, and venue for these Counterclaims is proper in this district.

4. This Court has personal jurisdiction over Loop AI.

Factual Background

5. Effective June 3, 2014, IQSystem entered into an agreement with Almaxwave USA, Inc., a California corporation engaged in business and market development of its Italian parent company's products, with a focus on telecom, utilities, media, and banking (the "Almaxwave Contract").

6. Pursuant to the Almaxwave Contract, IQSystem was to provide consulting services to Almaxwave USA, Inc. in the promotion of Almaxwave USA, Inc.'s products with Almaxwave USA, Inc.'s clients.

7. On or about February 20, 2015, Loop AI filed the complaint in the underlying action against IQSystem and other defendants, alleging Racketeer Influenced and Corrupt Organizations, Computer Fraud, Fraud, Intentional Interference with Prospective Economic Advantage, Misappropriation of Trade Secrets, Conversion, and Unfair Competition against IQSystem.

8. The only reason why Loop AI sued IQSystem was to interfere with IQSystem's contractual relations with Almaxwave USA, Inc. In fact, IQSystem is extraneous to any alleged wrongful actions against Loop AI.

9. Loop AI's evil intent was successful. Upon Loop AI filing its complaint against IQSystem and Almaxwave USA, Inc., in which Loop AI alleged extremely serious claims, both

1 civil and criminal, against IQSystem, Almawave USA, Inc. immediately terminated the
2 Contract.

3 10. Upon information and belief, Almawave USA, Inc. terminated the Contract for
4 no other reason than Loop AI's blatantly false accusations against IQSystem.

5 11. As such, IQSystem lost all monetary profits pursuant to the Contract, and further
6 lost any and all opportunities to work on Almawave USA, Inc.'s accounts.

7 **FIRST COUNT**

8 **(Tortious Interference with Contractual Relations, California Business and Professions
9 Code §§ 17200 *et seq.*, against Loop AI Labs, Inc.)**

10 12. IQSystem restates and incorporates by reference its allegations in paragraphs 1-
11 11 of its Counterclaims.

12 13. At all times relevant to this counterclaim, a contractual relationship existed
13 between IQSystem, Inc. and Defendant Almawave USA, Inc.

14 14. At all times relevant to this counterclaim, Loop AI had actual knowledge of this
15 contractual relationship.

16 15. Loop AI intentionally or recklessly interfered with the contractual relationship
17 between IQSystem, Inc. and Almawave USA, Inc., including, but not limited to, by making
18 blatantly false statements against IQSystem in its pleadings in the underlying action.

19 16. By taking these wrongful actions, Loop AI intended to disrupt IQSystem's
20 business relationship with Almawave USA, Inc.

21 17. IQSystem was harmed, in that Almawave USA, Inc. terminated its contractual
22 relationship with IQSystem, upon learning that Loop AI had filed a complaint against IQSystem
23 and Almawave USA, Inc. itself.

24 18. As a consequence of that, IQSystem lost several Almawave accounts for which
25 IQSystem, Inc. would have provided consulting services to Almawave USA, Inc.

